



Department of Justice

Acting United States Attorney James R. Klindt
Middle District of Florida

Tampa

Orlando

Jacksonville

Fort Myers

FOR IMMEDIATE RELEASE

SEPTEMBER 24, 2007

<http://www.usdoj.gov/usao/flm/pr>

CONTACT: STEVE COLE

PHONE: (813) 274-6136

FAX: (813) 274-6300

TWO PLEAD GUILTY IN JACKSONVILLE MORTGAGE FRAUD SCHEME

Jacksonville, Florida - Acting United States Attorney James R. Klindt today announced that Justin D. Barker, 31, and Robert W. Hulbert, Jr., 45, both of Jacksonville, pleaded guilty to conspiracy to commit wire and bank fraud. The maximum penalty faced by both individuals is 30 years' imprisonment, a fine in the amount of \$1 million, a term of supervised release of up to five years, and special assessment of \$100.

According to the plea agreements, between January 2005 and June 2006, Barker negotiated with sellers of residential real estate properties, who executed Purchase and Sale Agreements to sell their properties at a given price. A co-conspirator, who was a licensed real estate appraiser, then fraudulently appraised the properties at substantially higher amounts than those stated on the Purchase and Sale Agreements. The conspirators provided a second, fraudulent, Purchase and Sale Agreement -- showing the inflated appraisal price -- along with various fraudulent loan application documents, to lenders, including federally insured lending institutions. Based on the fraudulent documents, the lenders approved loans in the amounts of the inflated appraisals.

Hulbert, as the manager of the Jacksonville branch of Nations Title Agency of Florida, operated as the closing agent for the transactions. At the closings, Hulbert would

disburse funds from the lenders, providing the sellers with checks in the amount of the original sales prices, and providing the remainder of the loan funds -- the proceeds of the fraud -- to one or more of the conspirators.

The fraudulently obtained mortgages resulted in lenders extending approximately \$17.7 million in mortgage loans, which would not have been approved but for the fraudulent documents. The conspirators grossed approximately \$4.024 million in proceeds from the fraudulent transactions.

The case was investigated by the Federal Bureau of Investigation. The case is being prosecuted by Assistant United States Attorneys Susan Humes Raab and Arnold B. Corsmeier.